

VOLKSWAGEN AND AUDI EMISSIONS SETTLEMENT

OCTOBER 19, 2016



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Air Pollution Control Division
Department of Public Health & Environment

Proposed Partial Settlement

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- EPA and California sued VW, Audi, Porsche
- VW & Audi signed partial Consent Decree
 - ▣ Admitted to using defeat devices
- Settles mitigation claims for 2.0L vehicles
 - ▣ Covers Jetta, Golf, Passat, Beetle, Audi A3
 - ▣ Does not resolve penalties or 3.0L vehicles
 - ▣ Other lawsuits are pending
- Settlement not effective unless approved by the court



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Settlement Terms

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- \$10.3 billion to buy back or terminate leases
 - ▣ Vehicle modification option
 - ▣ Minimum 85% recall rate
- \$2 billion investment for zero emission vehicles
- \$2.7 billion environmental mitigation trust fund
 - ▣ \$61.3 million initial allocation for CO
 - ▣ Spend only on eligible actions
 - ▣ Receive funds over 3-10 years
 - ▣ Return unused funds after 15 years



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Purpose of Environmental Mitigation Trust

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- Reduce NO_x emissions where the covered vehicles were, are, or will be operated
- Colorado must describe how each project “mitigates the impacts of NO_x emissions on communities that have historically borne a disproportionate share of the adverse impacts of such emissions”

Mitigation Projects Eligible for Trust Funding

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- Class 8 (large) local freight and port drayage trucks
- Class 4-8 school, shuttle, or transit buses
- Railroad freight switchers
- Class 4-7 (medium) local freight trucks
- Forklifts
- Airport ground support equipment
- Light duty zero emission vehicle supply equipment
- Certain boats & port equipment
- Diesel emission reduction act (DERA) option
- Admin costs



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Estimated Settlement Timeline

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Event	Approximate Time Frame
Court approves the partial settlement	Fall 2016
Trust effective date	First half of 2017
States elect to become beneficiaries	Summer 2017
States are notified of beneficiary designation	Summer or fall 2017
States file a Beneficiary Mitigation Plan	Fall 2017
States may request funds	Fall 2017
States begin to receive funds	End of 2017

*Timing depends on court action and is subject to change

How do I apply for funding?

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- Funding process is to be determined
- No funding decisions have been made
- CDPHE, CDOT & CEO will conduct outreach and gather input this fall
- State agencies will set funding priorities and selection criteria
 - ▣ Will coordinate with interested organizations
- Public application plan
 - ▣ Anticipated in 2017



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Stakeholder Meeting

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□ PURPOSE

- Inform the public about the settlement
- Solicit and listen to stakeholder comments to guide Colorado's implementation of the settlement

□ MEETING INFO

- Nov 7th, 9:00 -11:30 am
- CDPHE's Sabin-Cleere Room
- Webcast will be available

□ DESIRED OUTCOMES

- Understand background and timeline of the settlement
- Understand how the settlement funds may be used to improve air quality
- Receive public comment on how Colorado should implement the settlement and spend the funds

More information and agenda on CDPHE's VW Settlement [webpage](#)



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Colorado Wants Your Comments

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- ▶ Send comments to cdphe.commentsapcd@state.co.us
 - ▶ CDPHE's Request for Comments document available on our [webpage](#)
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- ▣ How to maximize air quality benefits
 - ▣ How to set funding priorities
 - ▣ How to select projects
 - ▣ Areas with disproportionate NO_x impacts
 - ▣ Funding for electric vehicle supply equipment
 - ▣ Use of DERA option
 - ▣ Whether to require matching funds
 - ▣ Pros & cons of large or small projects



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How do I learn more?

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- www.colorado.gov/cdphe/VW
 - ▣ Information on November 7th meeting
 - ▣ Request for Comments document
- Facebook group & Twitter updates

□ Questions?

